

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6275

BILL NUMBER: HB 1506

NOTE PREPARED: Dec 28, 2010

BILL AMENDED:

SUBJECT: Work Sharing Unemployment Benefit.

FIRST AUTHOR: Rep. Sullivan

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes a Work Sharing Unemployment Insurance Program. It requires an employer to submit a work sharing plan for approval by the Commissioner of the Department of Workforce Development. The bill also establishes the work sharing benefit as equal to the employee's unemployment benefit reduced by a percentage that is equivalent to the number of hours by which the employee's work hours are reduced.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The impact on the state would be as an employer. There could be some additional fringe benefit costs if the state decided to implement a work sharing program. The impact on the state would probably be minor.

The Department of Workforce Development could also incur some additional administrative costs associated with the approval of work sharing programs and changes to the unemployment insurance benefit calculation program to accommodate the new program. The additional expenses would be minor and would be paid from federal funds.

The bill should not impact the Unemployment Trust Fund since the benefits are reduced by a percentage that is equivalent to the number of hours by which the employee's work hours are reduced.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.